



For Immediate Release

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Philippines Receives \$434 Million Poverty Reduction Compact

New York, NY – Millennium Challenge Corporation (MCC) Chief Executive Officer Daniel Yohannes and Philippine Secretary of Finance Cesar Purisima today signed a five-year economic development compact granting \$434 million to the Philippines for investments in roads, community development projects, and improvements to the country's Bureau of Internal Revenue. U.S. Secretary of State Hillary Rodham Clinton and President of the Philippines Benigno Aquino III presided at the signing held at the Waldorf Astoria Hotel in New York City.

"This compact we are signing today was created by and for the people of the Philippines." said MCC CEO Daniel Yohannes. **"Reflecting the policies articulated by President Obama in his speech yesterday at the Millennium Development Goals Summit, the Philippines compact is a results-focused program promoting sustainable economic growth. This example of country-designed solutions strives to move the poor from poverty to prosperity,"** Mr. Yohannes added.

The Philippines' \$434 million MCC compact provides funding for three major projects. First, the compact provides \$214.4 million to construct and repair 220 kilometers of Samar Road. This road, which passes through 15 municipalities, will improve access to markets and services for farmers, fishers, and small businesses in some of the poorest provinces in the Philippines.

The compact also includes \$120 million to expand Kalahi-CIDSS, a development project that empowers communities by encouraging their participation in poverty reducing activities. The project will provide community grants to support the building of critical infrastructure such as water systems, clinics, and schools. This innovative project design strengthens local accountability and allows poor communities to effectively design and transparently manage the projects they need to increase their incomes and improve their lives.

Finally, the compact includes \$54.3 million in investments to computerize and streamline business processes in the Bureau of Internal Revenue. This project will bolster the effectiveness of revenue collection and reduce opportunities for corruption.

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Millennium Challenge Corporation, a U.S. Government agency designed to work with developing countries, is based on the principle that aid is most effective when it reinforces sound political, economic, and social policies that promote poverty reduction through economic growth. For more information, please visit www.mcc.gov.

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